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United Nations Industrial Development Organization

THIRD GENERAL CONFERENCE OF UNIDO

New Delhi, India, 21 January–8 February 1980

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مؤتمر التنمية الصناعية الخامس للدول العربية

Fifth conference on industrial development for arab states

16 to 20 november 1979

Algiers

Conférence report

People's and Democratic Algerian Republic
Industrial Development Center for Arab States
United Nations Industrial Development Organization

Imp. CHAV

The Fifth Conference on Industrial Development for Arab States met in Algiers from 16th - 30th November, 1979 at the invitation of the People's Democratic Republic of Algeria, the Industrial Development Center for Arab States (IDCAS) and the United Nations Industrial Development Organization (UNIDO).

The Conference was attended by delegations from the following Arab countries :

Country	Head of delegation
Hashemite Kingdom of Jordan	Dr. Hazem El-Nuseibeh Under-Secretary for Industry and Trade
United Arab Emirates	Mr. Gaafar El-Fardan Director General for Industry
Republic of Tunisia	H.E. Taieb Baccar Ministry of Industry, Mining and Energy
People's Democratic Republic of Algeria	H.E. Mohamed El-Yazid Minister of Heavy Industry
Republic of Djibouti	H.E. Ali Mohamed Daoud Minister of Industry and Industrial Administration
The Kingdom of Saudi Arabia	H.E. Ghazi El-Qosaibi Minister of Industry and Electricity
The Syrian Arab Republic	H.E. Shaker Sifo Ministry of Industry
Democratic Republic of Sudan	Mr. Othman Hashem Abdel Salam Minister of Industry
Democratic Republic of Somalia	Dr. Abdul Qader Sheikh Mohamed Deputy Minister of Industry
Republic of Iraq	Mr. Taher Tawfik Minister of Industry and Minerals
Sultanate of Oman	Mr. Soliman Dorket al Lawki Director General of Industry
Palestine	Mr. Zuhdi Said Chairman of Economic Department
Qatar	Mr. Ahmed Abdul Rahman al Bonaa Deputy Minister for Industry and Agriculture

Country	Head of Delegation
Kuwait	Mr. Abdul Wahab Al Nefeesi, Minister of Trade and Industry
Republic of Lebanon	Mr. Alfred Debas, Director General of Industry
Arab Libyan Socialist People's Jamahiria	Mr. Amr Al Nagasi, Secretary of Light Industry
Kingdom of Morocco	Mr. Bensahw Mustapha, Acting Director of Industry
Islamic Republic of Mauritania	Mr. Mohamed Almokhtar Wild Al Zamel, Minister of Industry and Mining
Arab Republic of Yemen	Mr. Mahmoud Seyder Ambassador of the Arab Republic of Yemen to the People's Democratic Republic of Algeria
People's Democratic Republic of Yemen	Mr. Abdul Ghani Abdul Qader, Minister of Industry

Arab Organizations and agencies

General Secretariat of the League of Arab Nations	Mr. Soliman Al Manthari
Industrial Development Centre for Arab States	Mr. Ayad Mohamed Al Azabi, Director General
Arab Labour Organization	Mr. Ghazi Naseef Niki, Assistant Director General
Council for Arab Economic Unity	Dr. Osama Al Azab
Arab League Educational, Cultural and Scientific Organization	Dr. Zakaria Ben Mustafa
Arab Standardization and Measurement Organization	Dr. Mohamed Zafer Al Sawaf, Secretary General
Arab Organization for Petroleum Exporting Countries	Dr. Aly Atiga, Secretary General
Arab Fund for Economic and Social Development	Mr. Al Hashimi Al Arabi Executive Director and Board Member

Arab Organizations (as of 1974) (cont'd)	Head of Delegation
Gulf Organization for Industrial Consulting	Dr. [illegible] Al Khalaf Secretary General
Federation of Arab Scientific Research Councils	Dr. Fikri Said Jaber
Arab Federation for Chemical Fertilizer Producers	Mr. Abd Hadi Al Nasry Chairman of the Board of Directors
Union of Arab Engineers	Dr. [illegible] Abd Rahman
Union of Arab Chambers of Commerce for Industry and Agriculture	Mahmoud Abdulfayah
Arab Development Institute	Dr. [illegible] Al Ghunaimi Director General
Inter-Arab Investment Guarantee Corporation	Mr. Ghazi Abd Ghani Deputy Director General
Islamic Development Bank	Dr. Ahmed Yassin
Arab Investment Company	Mr. Abdullah Dawani
Research Centre of Industrial Studies for Counties and Regions	Mr. Salah al Lili
Research Centre for Applied Economics	Mr. Mohamed Fehmi Rabie
Regional or Specialised International Organizations	
U.N. Industrial Development Organization (UNIDO)	Dr. Abdul Rahman Khan Executive Director
Economic Commission for West Africa	Dr. Mohamed Said al Attar Executive Secretary
U.N. Development Programme (UNDP)	Mr. Jurgen Christoph Assistant Representative in Algeria
U.N. Education, Scientific and Cultural Organization (UNESCO)	Mr. O. M. Abuyazid
U.N. Food and Agriculture Organization (F.A.O)	Mr. Hussein Ali Turpi
U.N. Conference on Trade and Development (UNCTAD)	Mr. Alexis Abokoroff Chief, Quantitative Analysis Section

Regional or Specialized International Organizations	Head of Delegation
International Labour Office (ILO)	Mr. Abdul Rajeed Dahrn
World Intellectual Property Organization	Mr. Fritz Saxer
International Bank for Reconstruction and Development	Mr. George Zeidan
Arab-African Chamber of Commerce	Mr. Mario Lino
Japanese Cooperation Centre for the Middle East	Mr. Kunio Gobayashi Secretary General

First : To decide on the location of the Arab Organisation for Industrial Development.

- The location of the Arab Organization for International Development is Baghdad, Capital of the Iraqi Republic.

The Conference members express their thanks and appreciation to the Iraqi Republic for hosting the Organization.

Second : Long-term Arab Development Strategy

1. The Conference praises the results which the Arab States have reached on the path of economic development since 1970. It is expected that the rate of growth of the total national income of the Arab region up to 1985, at 1975 market prices, will be approximately 7.4%. The Conference foresees great development accomplishments from Arab manufacturing industries which has an expected average rate of grwoth of around 10% between 1970-1985.

2. The Conference is well aware of the fact that the path of Arab development will not easily attain the same pace of the rate of growth of economically developed countries. The share of Arab countries of this rate did not exceed 0.2% of world industrial production in 1975. The share of consumer industry is more than 50% of the total production of manufacturing industry. The rate of satisfaction of basic Arab social needs is still deficient when compared to average international rates. Thirty-one per cent of Arab citizens suffer from malnutrition, and thirty per cent live in inadequate or over-crowded homes.

The Arab structure of production does not satisfy more than 72% of basic social needs and therefore is not able to satisfy the production needs of these industries. This structure depends on outside markets at a rate of 100% for textile equipment, 40% for cement and 76% for re-inforced concrete.

3. The Conference noted that the world economy is suffering from recession and inflation, the effects of which are felt in the developing countries, reflected at the same time their annual growth rate and the share of their exports in the volume of international trade. The Conference also noted that the international economic system is taken advantage of by developed countries at the expense of developing countries. The Conference unanimously agreed that developing countries, with their development and industrialization programmes, constitute an outlet for developed countries, whereby the latter can both emerge from their crisis and promote their own productive sectors. At the same time, it was observed that these countries are raising obstacles to prevent us from acquiring technology - by controlling the technology we buy and by raising their prices - and closing their markets in various ways to the industrial products of developing countries. While it is in the interests of some quarters in advanced countries, machine suppliers, consulting companies, that developing countries should implement their development programmes, other quarters consider that such implementation is a threat to them, either because of the competition of products similar to those they sell or for social and political reasons.

4. This situation characterizing the new international industrial is made worse by the Zionist economic infiltration which has become a genuine and direct threat. The Arab Nation can face and overcome such a threat only through the doctrine of a comprehensive outlook involving a clear and well defined strategy.

5. The Conference considers that this strategy should be founded on the conception that industry is the essential condition for overall economic and social growth and that such industry should be based on the final decisions adopted by the Baghdad Conference with regard to securing food for the Arab world, meeting the basic requirements of the Arab citizens, raising to the highest possible level of industrialization extraction of local ores, and coordination of

similar productive processing relating to goods to be exported towards the international market. The industrialisation we are referring to consists in achieving effective industrial growth through the setting up of an industrial structure closely connected with other economic sectors, in which intermediate and productive consumer industries are organically integrated and where the technological chain is as intimately linked as possible by the resources and capabilities available.

The Conference considers that the achievements of such industrialisation absolutely require the laying down of a concrete national technological base relying essentially on the development of consulting and planning capabilities to translate industrial projects from ideas into realities. This base should involve, also, promotion of equipment and machinery industries. Moreover it requires linking of educational programmes on one hand and research and development centres on the other hand, with the local productive structures.

6. The Conference considers the difficulty of achieving such goals at the regional level and therefore stresses the necessity of Arab co-operation at this level and subsequently of the extension of such co-operation in the long term at the level of the Arab nation as a whole. The Conference in this respect emphasizes the fact that regional integration requires a minimum amount of integration within the respective countries themselves as well as a minimum rate of growth in productive sectors. However, such integration cannot be achieved through the expression of sentiments and ambitions that develop into the establishment of corporations which do not become a means, but an end in themselves; or reach agreements that do not include the necessary conditions for success.

Integration can only be achieved through the use of studies and consultations approved by the fourth conference as a preliminary step towards the realisation of integrated development plans. This necessitates in joint Arab action and a political will.

In view of the above observations the Conference has reached the following decisions and recommendations:

Decisions :

1) IDCAS is to prepare the final background studies which have been presented by the Conference. It is intended that these should be discussed in a meeting which includes state representatives and experts.

2) Preparation of future projected strategic studies will become a continuous project of the Organisation's activities. These should be dealt with in a flexible, dynamic context. This context should be an off-shoot of our Arab reality and based on detailed data and objective analysis. This will enable the responsible Arab decision-makers to take sound decisions at State and regional levels.

3) The Centre should proceed with the research on the satisfaction of basic needs for the sake of renewing and establishing production units which will satisfy these basic needs, and co-operate with joint Arab projects for the establishment of such projects. Priority should be given to localisation of industry in less developed states.

4) The Centre should establish highly modern industrial technological information system. This system should be at the service of Arab industrial development.

5) The Centre should, on a continuous basis, analyse Arab industrial plans. It should also conduct research on intermediate industrial products which are produced in Arab states, with the objective of developing interrelated industries in different Arab states to achieve Arab integration and complementarity.

6) The Centre should co-operate with the specialized industrial federations in preparing the studies and undertake consultations preparatory to adopting suitable measures for ensuring co-operation among Arab countries exporting their products to foreign markets, such as textiles, petrochemicals, fertilizers, etc.

7) The Centre should pursue implementation of the Fourth Conference's recommendation concerning previously coordinated Arab stands and during international meetings and conferences on Arab and industrial international development.

8) The Centre should intensify its activities in the field of exchange of Arab expertise and utilisation of existing training centres in the Arab countries to graduate trained Arab personnel.

Recommendations

1) The Conference recommends that the Arab states adopt the necessary measures to accomplish speedy industrial development as a fundamental and urgent means to achieve the objectives of comprehensive socio-economic development. Also vital importance should be given to the development of basic industrial development structures.

2) The Conference recommends that the Arab states give special attention to engineering industries and for the development of related research centres and endeavour to link them to the production sector.

3) The Conference recommends that the Arab states enlarge existing industries for the manufacture of local raw materials - which possess relative privileges for their production - as well as plan to develop subsequent industries at home and in other Arab states.

4) The Conference recommends that Arab states develop trade exchange between them, mainly in industrial products.

5) The Conference recommends that the Arab states - in their industrialisation programmes - do not depend on the declining industries in the developed countries and must, from now on, give special attention to rising industries especially petrochemicals, chemicals, electronics equipment and machines.

6) The Conference recommends that the Arab states set up Arab engineering consulting houses and specialised centres for engineering design as well as undertake the relevant studies since all of this plays a prime role in building a national scientific and technological base.

7) The Conference recommends that the Arab states coordinate their industrial plans with regard to basic industries since huge financial investments are involved, especially in the sphere of exchanging information and data, marketing of products and training.

Third : The Arab stance towards the Third UNIDO Conference.

The Conference, having heard a memorandum by UNIDO, and the Organisation's viewpoint on the matter, and after subsequent debate, views and proposals by the delegates concluded the following:

1) Due to UNIDO's role, at the international level, in promoting industrial development in the developing countries, and the great importance attached to attaining the objectives of the plan of action set by the Lima Conference, which requires all countries, especially those economically advanced, to extend complete support to the organisation; and due to the importance attached to the Third UNIDO Conference in order to secure additional gains for the developing nations in their confrontation with the developed countries, the Conference recommends that the Arab states continue their support to UNIDO and attach extreme importance to participation in the New Delhi Conference as well as give serious consideration to the proposals raised at that Conference and coordinate among themselves with a view to achieving a concerted Arab stand at the Conference.

2) In support of this, the Conference calls upon the Arab states:

2.1 to sign and complete as soon as possible the ratification procedures for the UNIDO Charter so that it can proceed with its task as a specialized agency and enjoy greater flexibility and effectiveness in confronting the challenges of industrialisation in the 1980's and beyond.

2.2 to work towards supporting UNIDO with sufficient financial resources whether in the form of annual contributions to its general budget or by expanding the sources of the UN Fund for industrial development.

2.3 to support the system of consultation implemented by UNIDO since it represents a suitable framework for developing new patterns for international industrial co-operation and organising the re-location of industry to achieve the Lima objectives, and giving this system a permanent founding pattern .

2.4 the Centre should prepare a working paper specifying the position of Arab states concerning the items of UNIDO III Agenda for presentation to the Arab representatives attending the meeting of the Group of 77, which is expected to be held in Havana, in order to unite the Arab stance in this field and continue these consultations at the New Delhi meeting.

3) The Conference noted that the economically advanced nations have not offered adequate technical and financial assistance to the developing countries in accordance with recommendations and resolutions of the Lima Conference. Recognising the importance of such assistance which would enable the developing countries to achieve the objective of the Lima Conference, that being the increase in their share of world industrial production to 25% in the year 2000, the Conference calls upon the Arab states to participate at the highest level in UNIDO III to serve this objective.

4) The Conference is happy about the decisions of the Board of UNIDO to extend assistance to the Arab Palestinian people and that this assistance will be extended and intensified and that the utmost will be done so that this assistance should reach the Palestinian Arabs in the occupied territories, especially where industrial research in the Western Bank and Gaza is concerned.

5) The Conference recommends that UNIDO strengthen its co-operation with regional Arab organisations, especially the Industrial Development Center, in all matters related to its activities in the Arab region.

Fourth : The Sixth Conference on Industrial Development in Arab States.

1) The Sixth Conference on Industrial Development will be held in Damascus at the invitation of the Government of the Syrian Arab Republic within a period not exceeding three years. The Conference extends its profound thanks and appreciation to the Syrian Government for hosting the Sixth Conference.

2) The formation by the Conference Chairman of a Ministerial Committee for following up the recommendations and resolutions of the Fifth Conference with the membership of their Excellencies the Ministers of Industry in the Syrian Arab Republic and the Islamic Republic of Mauritania. The Conference empowers the Committee to take the necessary measures that would guarantee the implementation of its Recommendations and Resolutions.

At the end of the Conference the participants decided to send a telegram of thanks to His Excellency the President of the Republic Al Chadli Bin Jadeed and His Excellency the Prime Minister for hosting the Conference in Algeria and for providing all the requirements for its success, praising the prominent economic progress and advancement which the Arab people of Algeria have achieved since their national independence, wishing them both good health and the brotherly Algerian people every progress and welfare.

The Conference extends its profound thanks to the Chairman, Minister of Heavy Industry in the People's Democratic Republic of Algeria, for the magnificent efforts he and his assistants exerted in preparing for this Conference and in ensuring its success.

The Conference praises the United Nations Industrial Development Organisation for the kind spirit and constructive co-operation it has manifested as well as the Economic Commission for West Africa for the assistance it has offered in the technical preparation of the Conference.

The Conference expresses its deepest thanks and appreciation to the Permanent Secretariat of IDCAS, especially to the Centre's Director General for preparing the Conference under difficult circumstances and severe conditions.

Conference Rapporteur
Ayad Mohamed Al Azabi

Conference Chairman
Mohamed Yassin